

## Link Group paves the way for quoted managed funds in Australia

**17 March 2021:** Link Group and Switzer Asset Management have successfully re-launched the Switzer High Yield Fund (Managed Fund) as a quoted managed (active ETF) fund allowing units to be bought and sold on the stock exchange as well as directly from the issuer.

As the first fixed-income quoted managed fund to launch on the Australian market, Link Group has paved the way for fund managers to offer a consolidated product with all of the benefits of a dual fund and without the complexity or costs associated with running two structures.

To bring the product to market, Link Group worked closely with ASIC and the Chi-X Australia (Chi-X) to build a framework for dual-structure exchange traded products to ensure investors have the same transparency and registry capacity on and off market. Once Link Group secured regulatory approvals it worked with Switzer Asset Management to ensure the existing off-market fund satisfied all regulatory, disclosure and capacity requirements needed by Chi-X then united the two registry platforms into one structure.

Commenting on the transition, Paul Khoury, Chief Executive Officer APAC, Link Fund Solutions said:

“We’re proud to have played our role in developing this innovative structure for the Australian market. The quoted managed fund is a product of two years of ideation and the resultant product will be celebrated by funds and investors alike.

“We have a significant amount of interest from our clients in launching these products, with our next one already underway and due to launch in March. Link Group will continue to enhance the operational efficiency of the product as the market size grows.”

Switzer Asset Management has worked with Link Group for three years providing solutions for both its listed and unlisted funds. The quoted managed fund leveraged Link Group’s existing sophisticated internal systems across both structures and combined them together to launch the all-in-one product.

The Switzer Higher Yield Fund (CXA:SHYF) is a floating-rate bond fund that seeks to provide investors with an attractive cash yield with low capital volatility by investing in a portfolio of high-quality and liquid fixed income securities. The fund aims to achieve total returns which are 1.5% to 3.0% greater than the RBA Cash Rate after fees and expenses on a rolling 12-month basis.

Talking to the new product offering, Martin Switzer, CEO of Contango Asset Management, parent company to Switzer Asset Management, said:

“SHYF is a simple-to-use, low-cost vehicle that has been relaunched with a listed entry point and provides access to one of the best credit managers in the country in Coolabah Capital Investments.

Pleasingly the new fund structure has been well supported by a number of investors who have been able to access the fund through the listed class of units.”

With 900,000 Australians looking to familiarise themselves with listed investments within 12 months, and listed managed funds recording significantly higher inflows than unlisted managed funds<sup>1</sup>, the new

<sup>1</sup> As cited in *Mapping the evolution of Australian investing: The ASX Australian Investor Study 2020*.

quoted managed fund offering allows fund managers to tap into retail investors that see traditional onboarding as overly cumbersome.

Link Group expects quoted managed funds will eventually become the default structure for all retail investor focussed managed funds.

**Ends**

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**About Link Group (ASX:LNK)**

Link Administration Holdings (Link Group) administers financial ownership data and drives user engagement through technology. Underpinned by our investment in technology, people and processes, we deliver comprehensive data and information solutions for companies, large asset owners and trustees across the globe. We are a market-leading provider of technology-enabled administration solutions, continually developing our offerings to expand with our clients' needs.

Our core business, which consists of Retirement & Superannuation Solutions and securities registration, is complemented by our expertise in digital solutions and data analytics. Our clients represent all industries and include some of Australia's largest superannuation funds and the world's largest corporations.

**About the Switzer Higher Yield Fund (CXA:SHYF)**

The Switzer Higher Yield Fund (SHYF) is a zero duration bond fund that seeks to provide investors with an attractive cash yield with low capital volatility by investing in a portfolio of high-quality and liquid fixed income securities. The fund aims to achieve total returns which are 1.5% to 3.0% greater than the RBA Cash Rate after fees and expenses on a rolling 12-month basis.

For more information, please visit: [www.linkgroup.com](http://www.linkgroup.com)